



**FILED**  
5-20-16  
04:59 PM

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric  
Company for Approval of 2013-2014  
Statewide Marketing, Education and Outreach  
Program and Budget  
(U 39 M)

Application No. 12-08-007  
(Filed August 2, 2012)

And Related Matters

Application 12-08-008  
Application 12-08-009  
Application 12-08-010

**REPLY COMMENTS OF PACIFIC GAS AND ELECTRIC COMPANY  
ON POST-EM&V WORKSHOP PHASE 3 ISSUES: POST-2016 STATEWIDE  
MARKETING, EDUCATION, AND OUTREACH ACTIVITIES**

MARY A. GANDESBERY  
SHIRLEY A. WOO

Pacific Gas and Electric Company  
77 Beale Street, B30A  
San Francisco, CA 94105  
Telephone: (415) 973-2248  
Facsimile: (415) 973-5220  
E-Mail: [SAW0@pge.com](mailto:SAW0@pge.com)

Dated: May 20, 2016

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric  
Company for Approval of 2013-2014  
Statewide Marketing, Education and Outreach  
Program and Budget  
(U 39 M)

Application No. 12-08-007  
(Filed August 2, 2012)

And Related Matters

Application 12-08-008  
Application 12-08-009  
Application 12-08-010

**REPLY COMMENTS OF PACIFIC GAS AND ELECTRIC COMPANY  
ON POST-EM&V WORKSHOP PHASE 3 ISSUES: POST-2016 STATEWIDE  
MARKETING, EDUCATION, AND OUTREACH ACTIVITIES**

Pursuant to the Administrative Law Judge ruling of April 15, 2016, Pacific Gas and Electric Company (PG&E) submits its reply comments in response to opening comments submitted by other parties on the April 14 EM&V Workshop. The workshop was convened in accordance with the Decision of ALJ Roscow on Phase 3 Issues: Post-2016 Statewide Marketing, Education, and Outreach Activities (Statewide ME&O), mailed February 16, 2016 (Decision 16-03-029), and the ALJ April 15, 2016 ruling.

**I. STATEWIDE ME&O – EVALUATION RESULTS AND DISCUSSION (OPINION DYNAMICS)**

**A. PG&E Agrees with Greenlining that Clear Objectives and Metrics that Match Statewide ME&O Goals are Required, and Should Inform the RFP for a Program Administrator for Statewide ME&O**

PG&E agrees with the Greenlining Institute’s (“Greenlining’s”) position that the “...Commission and the Energy Upgrade California (EUC) program administrator need to

develop clear objectives based on the new program goals and...develop the metrics necessary to achieve these objectives.”<sup>1/</sup> PG&E’s comments suggested updates to the Decision’s “current measurable objectives,” indicated objectives best pursued as “primary” versus “secondary” program efforts, and described who the responsible parties for each action should be.<sup>2/</sup> PG&E’s position is that by clarifying and prioritizing the objectives, Statewide ME&O will progress more rapidly towards meeting its goals.

PG&E also agrees with Greenlining that bidders for the role of Statewide Implementer should demonstrate their capability of reaching communities of color and hard-to-reach communities. However, as stated in its comments, PG&E recommends that rather than ordering specific tactics, such as the designation of Statewide ME&O staff to serve as community liaisons, the Commission should encourage the EUC administrator to develop its own strategy to make Statewide ME&O outreach to communities of color and hard-to-reach communities an integral part of its overall planning and campaign development efforts.

**B. Greenlining’s Idea of Placing Local ME&O under the EUC Program Administrator is Flawed and Would Be Counter-productive**

PG&E finds Greenlining’s budgeting and application proposals for “one comprehensive statewide plan” to be problematic on several grounds, including apparently subsuming IOU (and Regional Energy Networks, or RENs) local program ME&O under the Statewide ME&O administrator’s authority. Greenlining proposes that the Commission “...aim to integrate all demand-side ME&O programs” and “create a process where all demand-side ME&O programs and budgets are requested only by the EUC administrator...,”<sup>3/</sup> and that the EUC administrator

---

1/ Comments of the Greenlining Institute on Post-Phase 3 Decision Workshop on Statewide Marketing, Education, and Outreach, p. 3.

2/ Comments of Pacific Gas and Electric Company on Post-Decision Workshop Decision of ALJ Roscow on Phase 3 Issues: Post-2016 Statewide Marketing, Education, and Outreach Activities, (April 22, 2016), pp. 6-7.

3/ IBID, p. 6.

“...seek authorization for all demand-side ME&O program and budget proposals in one application/single process.”<sup>4/</sup>

Effective ME&O for any local program needs to be planned for and executed in close coordination with the development and deployment of that program. Greenlining’s proposal would separate the ME&O aspect of local programs from the development and implementation of the programs themselves, and thereby obstruct the IOUs’ ability to achieve the goals their leaders have set for the programs. It would result in less effective local energy management programs.

In addition, the budgets requested within each individual proceeding cycle are tailored to meet the objectives of the program during that period.<sup>5/</sup> Disassociating the budget allocations from the planned activities during the cycle may over- or under-fund particular programs and may result in programs not meeting their goals.<sup>6/</sup>

In its comments, PG&E suggests an alternate approach for streamlining the regulatory and planning aspects of Statewide ME&O. The approach makes use of the processes and templates created for the Energy Efficiency 5-year business plans which must be filed by the program administrators in September of this year.<sup>7/</sup> Because the 5-year plans will include both

---

4/ IBID, pp. 6 and 7.

5/ At pages 6 and 7, Greenlining’s comments apparently suggest the EUC administrator should file an application for all demand-side ME&O. That proposal is impermissible. Non-IOU EUC administrators are not entities subject to the Commission’s statutory regulatory jurisdiction. These non-regulated entities are not authorized to submit their own rate and cost recovery applications directly to the Commission. Cost recovery for local and SW ME&O must continue to occur through the IOUs’ applications. The Commission’s requirements for the IOUs’ rate applications – which include applications to increase rates “or to implement changes that would result in increased rates” – are in Public Utilities Code Section 454 and Rule 3.2. There is no authority for a party other than a utility to file an application to adjust or implement other changes to increase the utility’s rates.

6/ PG&E expects that the EUC administrator will want flexibility for managing its budget. In that process the EUC administrator may move funds away from or to different ME&O work for different programs, in order to meet the Administrator’s objectives. The result would be partial or complete severing of ME&O for a local program from the program itself.

7/ Comments of Pacific Gas and Electric Company on Post Decision Workshop Decision of ALJ Roscow on Phase 3 Issues: Post-2016 Statewide Marketing, Education, and Outreach Activities, (April 22, 2016), pp. 13 and 14.

general local marketing objectives and the potential tie in with Statewide ME&O, they will provide much of the information from which energy efficiency budgets will be created for the IOUs. PG&E believes this approach would achieve the integration that Greenlining is seeking in less time and at lower cost.

**C. Greenlining’s Proposal to Turn EUC into a “One-Stop-Shop” Would Cause Unnecessary Duplication of Cost and Effort.**

PG&E’s final concern with the Greenlining Institute’s proposed revisions to Statewide ME&O’s goals and objectives is Greenlining’s inclusion of a new objective to “Transform the Energy Upgrade California website into a ‘one-stop-shop’ web portal” which includes “options (for customers) to directly sign up for programs or request services from energy service providers.” As mentioned above, PG&E and the other utilities and RENs run numerous energy management programs targeted to specific customer groups based on their energy usage, geographical location, and other factors. Creating an additional means of customer enrollment for these programs would result in an expensive duplication of effort that would surely lead to customer confusion and the delay of energy management service provision to the customers who seek it.

**D. Evaluations Should Measure Progress Towards Meeting Statewide ME&O Goals**

In its comments, PG&E suggests that evaluations of Statewide ME&O should relate specifically to the goals of the program and reflect where “program effectiveness” differs from performance against metrics. PG&E’s position is supported by the Joint Comments of San Diego Gas & Electric Company and Southern California Gas Company (the “Joint Utilities”)<sup>8/</sup>.

The Joint Utilities argue that bidders seeking the role of Statewide Program Implementer should “propose milestones that can be used to track their implementation of a statewide campaign so that stakeholders can review performance throughout the implementation period...”

---

<sup>8/</sup> Joint Comments of San Diego Gas & Electric Company and Southern California Gas Company on Statewide Marketing, Education and Outreach Workshop, (April 22, 2016.)

They suggest that the milestones “should correspond to key decision points,” and that bidders should “propose a stakeholder process to provide feedback on these key decisions.”<sup>9/</sup> PG&E supports the Joint Utilities’ suggestion, and agrees that trackable milestones related to key decision points would be a useful means of relating the program’s plans to the Statewide Program Implementer’s decisions, and then relating those decisions to the results being achieved.

**E. Ensuring Meaningful and Objective Evaluations Is Important**

PG&E supports “pre- and post-” ME&O campaign testing of target audiences’ knowledge and awareness of energy management concepts, benefits, and tools. Testing of this type is essential for determining whether the audiences are receiving and comprehending the information Statewide ME&O provides. To ensure evaluation objectivity as well as the application of expertise specific to marketing campaigns, PG&E, like the Joint Utilities<sup>10/</sup>, finds merit in asking bidders how they intend to measure messages and campaigns using third-party marketing experts that have not been involved in evaluating Statewide ME&O<sup>11/</sup>.

Finally, PG&E agrees with the Joint Utilities that all evaluation studies for Statewide ME&O other than “EM&V studies that are managed by Energy Division Staff” be “competitively bid...”. Like the Joint Utilities, PG&E believes that competitive bidding will help “ensure that the appropriate independent evaluation firms with the specific expertise in evaluation of marketing campaigns are conducting the evaluation of program performance.”<sup>12/</sup>

PG&E appreciates the opportunity to submit the above reply comments in support of strengthening the Statewide Marketing, Education, and Outreach program.

---

9/ IBID, p. 3.

10/ IBID, p. 5.

11/ IBID, p. 6.

12/ IBID, p. 5.

Respectfully Submitted,

MARY A. GANDESBERY

SHIRLEY A. WOO

By: /s/Shirley A. Woo  
SHIRLEY A. WOO

Pacific Gas and Electric Company

77 Beale Street

San Francisco, CA 94105

Telephone: (415) 973-2248

Facsimile: (415) 973-5220

E-Mail: [SAW0@pge.com](mailto:SAW0@pge.com)

Attorneys for

PACIFIC GAS AND ELECTRIC COMPANY

Dated: May 20, 2016